

REMARKS/ARGUMENTS

Claims 18-35, 47, and 48 are pending in the application. Claims 18, 22, 30, 33, and 47 are in independent form. Claims 1-13 were previously cancelled. Claims 14-17 and 36-46 were previously withdrawn from consideration.

Claim Rejections Under 35 U.S.C. 102(e)

Claims 18-35 and 47-48 stand rejected under 35 U.S.C. 102(e) as being anticipated by U.S. Patent No. 6,976,008 to Egendorf (hereafter “Egendorf”). A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference. *Verdegaal Bros. v. Union Oil Co. of Cal.*, 814 F.2d 628, 631 (Fed. Cir. 1987). Applicants submit that the reference cited by the Examiner does not set forth, either expressly or inherently, all of the elements of the rejected claims.

Among other limitations, claim 18 requires “causing a liquidity source that is not the same entity as the third party biller to electronically transfer funds corresponding to the transaction amount from the liquidity source to the merchant via communication across a computer network, the liquidity source being repaid by the third party biller by way of the electronic transfer of at least a portion of the funds received by the third party biller from the payor.” (emphasis added.) The remaining claims all contain this same limitation is slightly different language.

Egendorf does not teach these limitations at all. Egendorf merely discloses an Internet service provider (col. 2, lines 27-29) that prearranges with a customer to process online transactions so that the customer does not have to transmit sensitive transaction related data, such as credit card account information, to a vendor over the Internet. According to Egendorf,

the customer is more likely to trust the provider with sensitive information because the customer has entered into a prearranged agreement with the provider prior to the transaction vendor and has established an account with the provider to pay for Internet service. When the customer wants to make a purchase over the Internet, the provider can bill the customer's preexisting account with the provider for the transaction. Because the provider is an Internet service provider, this account can be an online computer service account, a cable television account, or a telephone account (col. 2, line 65 to col. 3, line 5). Alternatively, the provider can charge or debit another account associated with the customer, such as a bank account or a credit card account. In any case, the provider charges the account of the customer in place of the vendor charging the account of the customer so that the customer does not have to give the account information to the vendor over the Internet. The provider then takes the proceeds from the charge and remits the proceeds, less a transaction fee, to the vendor.

The Examiner interprets Egendorf's Internet service provider as disclosing the limitations of the rejected claims. Applicants respectfully disagree. Egendorf expressly states that the provider both charges the customer and remits payment to the vendor. (*See, e.g.*, Egendorf at col. 3, lines 29-32; col. 4, lines 26-28; col. 5, lines 5-7). However, Applicants' independent claim 18 requires both "triggering the selected third party biller to bill the payor and causing a liquidity source that is not the same entity as the third party biller to electronically transfer funds corresponding to the transaction amount from the liquidity source to the merchant." All of the other rejected independent claims have essentially the same limitations in slightly different language. In the Egendorf reference, the provider is both the third-party biller and the source of the funds transferred to the merchant. This is directly contrary to the express language of Applicants' claims, which requires that the liquidity source

and the third party biller be separate entities. Further, Applicants' claims require the third party biller to repay the liquidity source at least a portion of the funds received by the third party biller from the payor. Egendorf's provider does not remit any payment to a liquidity source. Egendorf's provider only remits payment to the vendor/merchant.

Although the Examiner provides no specific citation or explanation, the Examiner suggests that Egendorf teaches "utility companies" that correspond to Applicants' liquidity source. Applicants respectfully disagree with this interpretation. According to Egendorf, the "utility companies" for the most part are the internet service providers:

"In accordance with the present invention, a customer desiring to purchase goods and services over the Internet has prearranged access to the Internet through the services of an Internet access provider. Such providers can be, for example, companies whose only business is to offer connection to the Internet, companies which offer on-line computer services, one of which is connection to the Internet, cable television companies, or telephone companies."

Egendorf at col. 2, lines 58-65. As discussed above, the rejected claims require that the liquidity source and the third party biller and the liquidity source to be separate entities.

In another embodiment, Egendorf does teach that "the customer may be using one telephone company as an access provider and a second telephone company as a telephone service provider and the account to be billed is that with the second telephone company." (Egendorf at col. 3, lines 56-60). In this embodiment, the second telephone company would be a separate entity from the internet service provider, but the same entity (i.e., the second telephone company) would still be billing the customer and providing the funds to the merchant. Thus in this embodiment, the third party biller and the liquidity source would still be the same entity because the provider would no longer be functioning as a third party biller since the bill (and the funds paid to the vendor) would come from the second telephone company.

Applicants note that all of the rejected claims also require that the liquidity source first transfers the funds to the merchant and then is repaid by the funds received from the payor by the third party biller. None of the embodiments in Egendorf teach this limitation. Instead, funds are transferred to the vendor from the third part biller only after funds are received from the customer. A liquidity source according to Applicants' claims is not just a billing entity as taught by Egendorf. Instead, the liquidity source pays the funds to the merchant before the funds are transferred from the third party biller to the liquidity source, thus serving as a source of liquidity (funds). The internet service provider and the secondary billing accounts taught by Egendorf do not function as a liquidity source at all, but instead simply pass along the payment request (bill) and act as a conduit for funds once the payor has paid the third party biller.

Because Egendorf does not disclose each and every element of Applicants' claims, Egendorf cannot be said to anticipate Applicants' claims. Because Egendorf does not anticipate Applicants' claims, the rejection of all claims under 35 U.S.C. §102 is improper. Applicants respectfully request that the rejection of all claims be withdrawn.

CONCLUSION

It is believed that all of the pending issues have been addressed. However, the absence of a reply to a specific objection, issue, or comment does not signify agreement with or concession of the rejection, issue, or comment. In addition, because the arguments made above may not be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this reply should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this

reply, and the amendment of any claim does not necessarily signify concession of unpatentability of the claim prior to its amendment.

Applicants submit that all claims in the application are now in condition for allowance, and Applicants respectfully request that a timely Notice of Allowance be issued in this case.

Respectfully submitted,

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